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No. 00-1543

Supreme Court, U.S.
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IN THE
SUPREME COURT OF THE UNITED STATES

FESTO CORPORATION,
PETITIONER,

—V.—

SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD.,
A/K/A SMC CORPORATION AND SMC PNEUMATICS, INC.,
RESPONDENTS.

On Petition For Writ Of *Certiorari* To The United States Court Of Appeals For The Federal Circuit

BRIEF OF *AMICUS CURIAE* ASSOCIATION OF PATENT LAW FIRMS IN SUPPORT OF PETITIONER

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STATEMENT OF INTEREST

The Association of Patent Law Firms ("APLF") is a national association of over 20 law firms that devote a majority of their practice to patent law. APLF member firms include attorneys who practice in the areas of patent prosecution, litigation, licensing, and counseling. APLF litigators typically represent plaintiffs in some lawsuits and defendants in others, unlike some areas of practice where distinct plaintiffs' and defendants' bars exist.[1]

INTRODUCTION

The APLF, which has never before filed a brief as *amicus* in any lawsuit, submits this brief as *amicus curiae* in support of a petition for a writ of *certiorari* to the United States Court of Appeals for the Federal Circuit, to review its *en banc* decision in *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd.*, 234 F.3d 558 (Fed. Cir. 2000) ("*Festo*").[2]

The Federal Circuit's decision in *Festo* upsets long-settled property expectations in as many as one million or more U.S. patents. Those expectations were based on a long line of cases including this Court's landmark decision in *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605 (1950), approving the doctrine of equivalents.

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[1] Pursuant to Rule 37.6, none of the parties or their counsel has contributed substantively or monetarily to the preparation of this brief. Specifically, only the amicus, its members, and its counsel have made a monetary contribution to the preparation or submission of this brief.

[2] Consent letters from the attorneys for Petitioner and Respondent are being filed concurrently with this Brief.

This Court should resolve now the upheaval created by the *Festo* decision, because it has a tremendous, fundamental impact on (1) the substantial rights and value expectations in existing patents and applications; and (2) the public interest in providing both notice and protection of patent rights.

ARGUMENT

The Federal Circuit's decision in *Festo* greatly impacts the fundamental scope of patent rights afforded to a patent owner. A deeply divided Federal Circuit reversed its own precedent and adopted a *per se* rule eliminating all flexibility in applying the doctrine of equivalents to claim limitations that had been amended for a patentability reason.

Before *Festo*, the Federal Circuit consistently applied a flexible rule, *i.e.*, a true estoppel, preventing a patent owner from taking an inconsistent position and reclaiming what was specifically given up during prosecution. This sudden about-face by the Federal Circuit extends the law beyond this Court's ruling in *Warner-Jenkinson Company, Inc. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997).

If the law is to change in this direction, so be it. We do not mean to suggest that the result necessarily is wrong. However, because of the unusual and abrupt nature of the Federal Circuit's course and its departure from the strictures of *stare decisis*, there is at least a substantial chance that this Court may, now or later, overturn the Federal Circuit decision.

In the meantime, any party concerned about rights in a patent is faced with significant uncertainty in view of the overt possibility that *Festo* might be overturned. This

uncertainty will not quickly abate unless and until this Court considers the issues raised in *Festo*.

The vast majority of extant patents were issued after at least one amendment to at least one claim, for patentability issues. Such amendments have always been expected, and even planned for, during prosecution. Thus, most patent owners and applicants suddenly are faced with a substantial retroactive loss of value in their intellectual property.

Moreover, the uncertainty created by the *Festo* decision will have a chilling effect on competitive commercial activities. The public -- which gives up a limited-term monopoly in exchange for full disclosure by the patent applicant -- cannot now confidently rely on the scope of protection to be afforded to patent claims. Thus, the *Festo* decision will adversely affect innovation and the general public unless and until this Court resolves the uncertainty.

Patent applicants and others may be able to deal with the pending uncertainty by taking measures to protect their rights under either scenario, *i.e.*, whether or not *Festo* ultimately is overruled. However, while large companies may be able to afford the extra time and expense to thoroughly protect their interests either way, others may not have that luxury, instead needing to cut corners and take their chances.

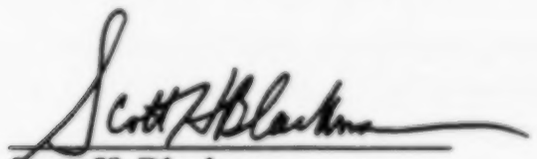
CONCLUSION

The Federal Circuit's sweeping decision in *Festo* creates uncertainty throughout the economy, because the abrupt reversal of established precedent ultimately may or may not be upheld. This uncertainty undermines the important public interests balanced by a strong, reliable, affordable and predictable patent system. For these reasons,

the APLF respectfully requests that the Court issue a writ of *certiorari* to the United States Court of Appeals for the Federal Circuit in this case, and clarify -- one way or the other -- this very important area of patent law.

Respectfully submitted,

Amicus Curiae
Association of Patent Law Firms



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